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# Transforming Organizational Effectiveness Leveraging Blockchain

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# Philip Morris International (PMI)



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# Designing a Smoke-Free Future

174+  
Year Old  
Company

~75,000  
Employees  
Around the  
World



We're building PMI's future on **smoke-free products** that are a much better choice than cigarette smoking.

Our vision, for all of us at PMI, is that these products will one day **replace cigarettes.**

*"This changes everything"*



# PMI Transformation – Creating Smoke-Free Alternatives







GLOBAL  
GO TO  
MARKET

SOURCE

DIGITAL  
MANUFACTURING

SUPPLY CHAIN

CUSTOMER  
ENGAGEMENT

CUSTOMER AT THE  
CENTER

# What are the Think Tanks, Journals And Popular Press Saying About Blockchain

*" 10% of the Global GDP will be on the Blockchain by 2027 "*

– The World Economic Forum, Aug 2016



*"Blockchain starts transition from hype to everyday use in markets"*

– Financial Times, Oct 2017



*"Blockchain will do for Transactions what internet did for information"*

– Harvard Business Review, Dec 2018



*"Programmable Economy led by Blockchain will radically reshape our notion of what an economy is"*

– Gartner, July 2018



*"Blockchain could be the most significant innovation since the internet"*

– eWeek, May 2017



*"Blockchain will become the 'beating heart' of the Global Financial System"*

– The World Economic Forum, Aug 2017



*"Blockchain: The next big thing"*  
*"The promise of Blockchain: The trust machine"*

– The Economist May 2015, Oct 2019

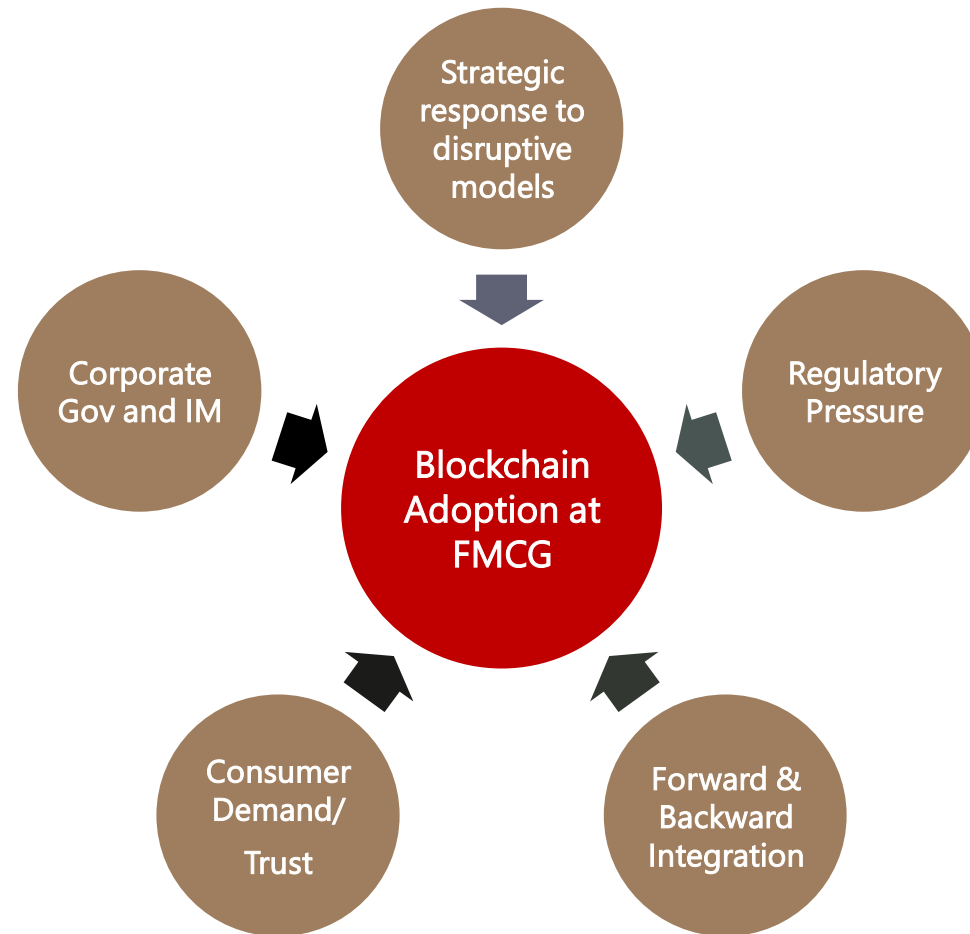


*"Blockchain: revolutionary, but overhyped"*

– Forrester, Dec 2017



# Five Forces That Will Drive Blockchain Adoption in the CPG/FMCG Sector





# High Impact Blockchain Led Transformation Opportunities for the CPG/FMCG Sector

## Corporate Governance & Identity Management



## Supply Chain (Track & Trace)



## Industrial IOT



Trade Finance

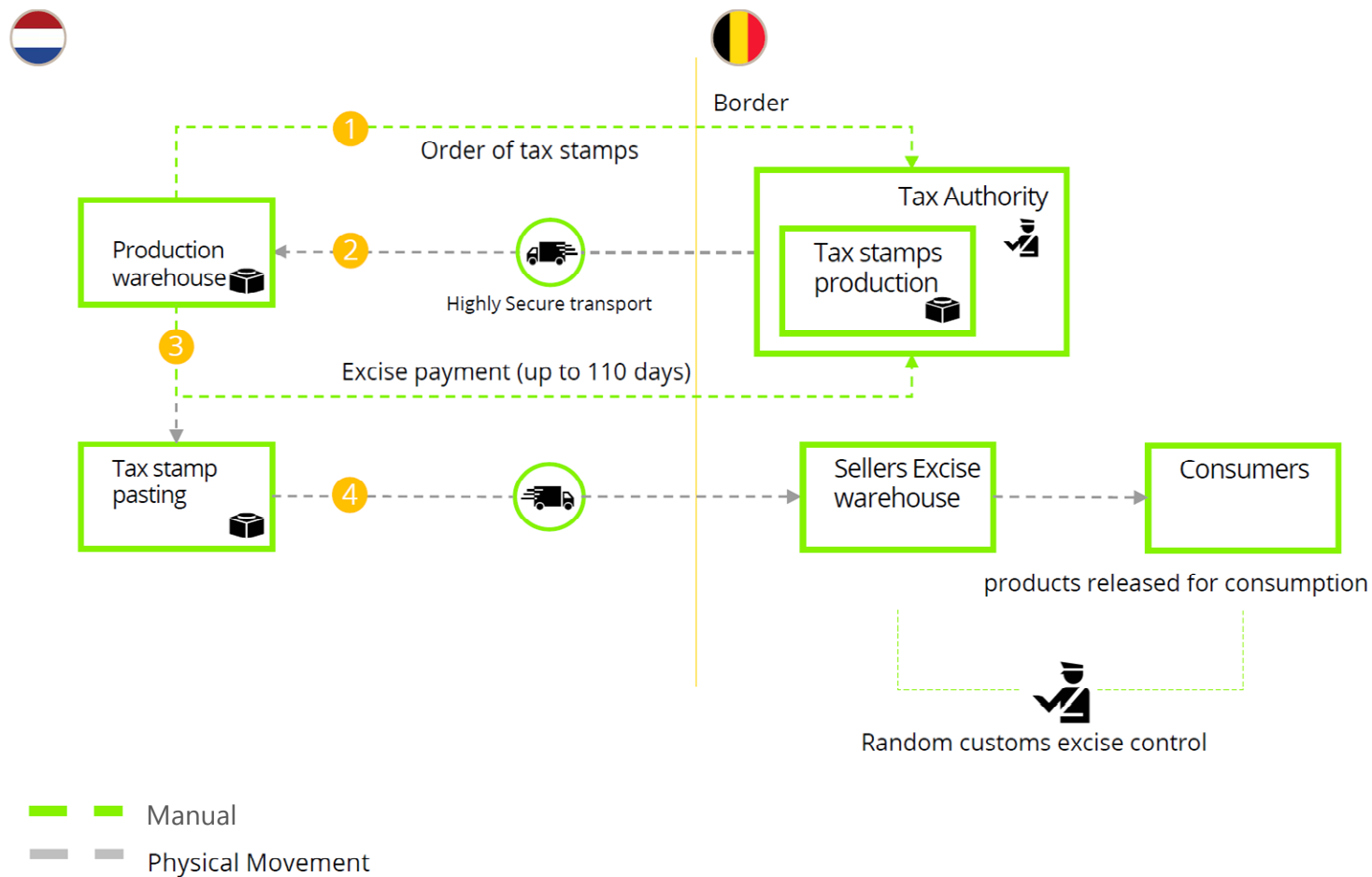


Consumer Trust (Provenance)



Loyalty (KYC)

# Tax Stamps (As-Is)



Manual process to order, process, transport and store

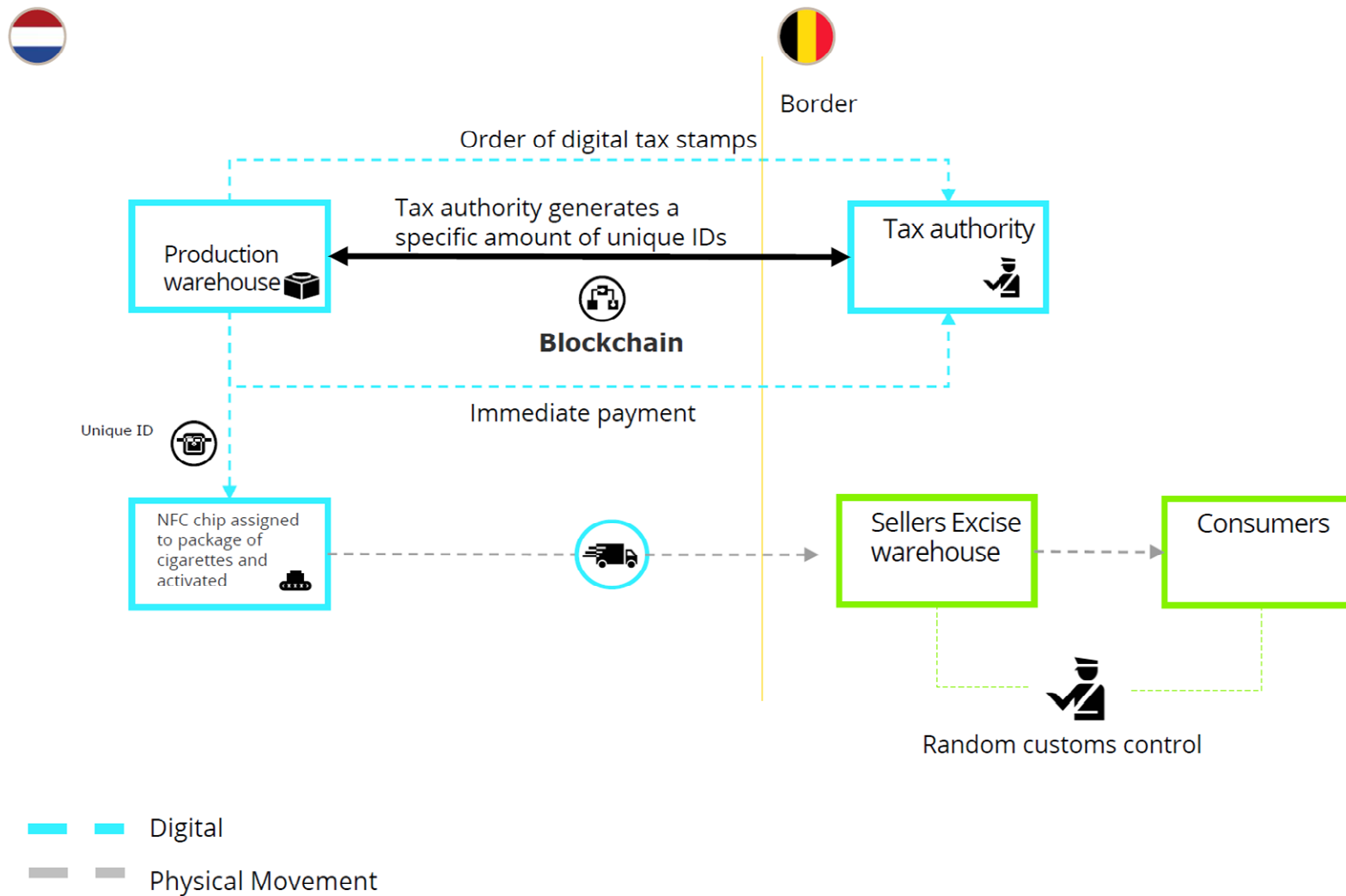
High Insurance, Storage, Transportation costs

Theft of physical Tax Stamps

Degradation of physical Tax Stamps

Expiration of Tax Stamps during storage in warehouses

# Use Case: Tax Stamps (To-Be)



Real time track and trace

Fully automated process to order, process, transport and store

No Insurance, Storage, Transportation costs

No theft of physical Tax Stamps, However susceptible to Cyber theft

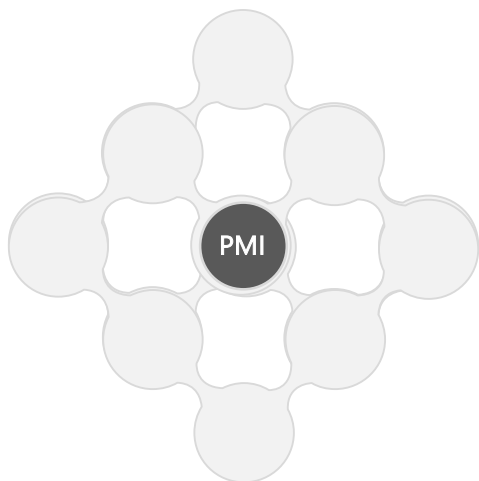
No degradation, expiration of physical Tax Stamps

Provenance to consumers, controllers

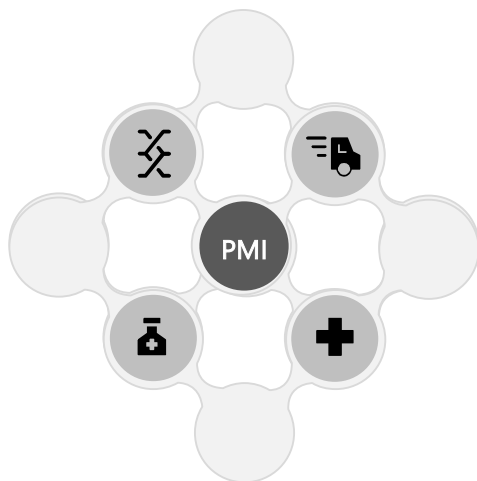


# Minimum Viable Ecosystem for Tax Stamps

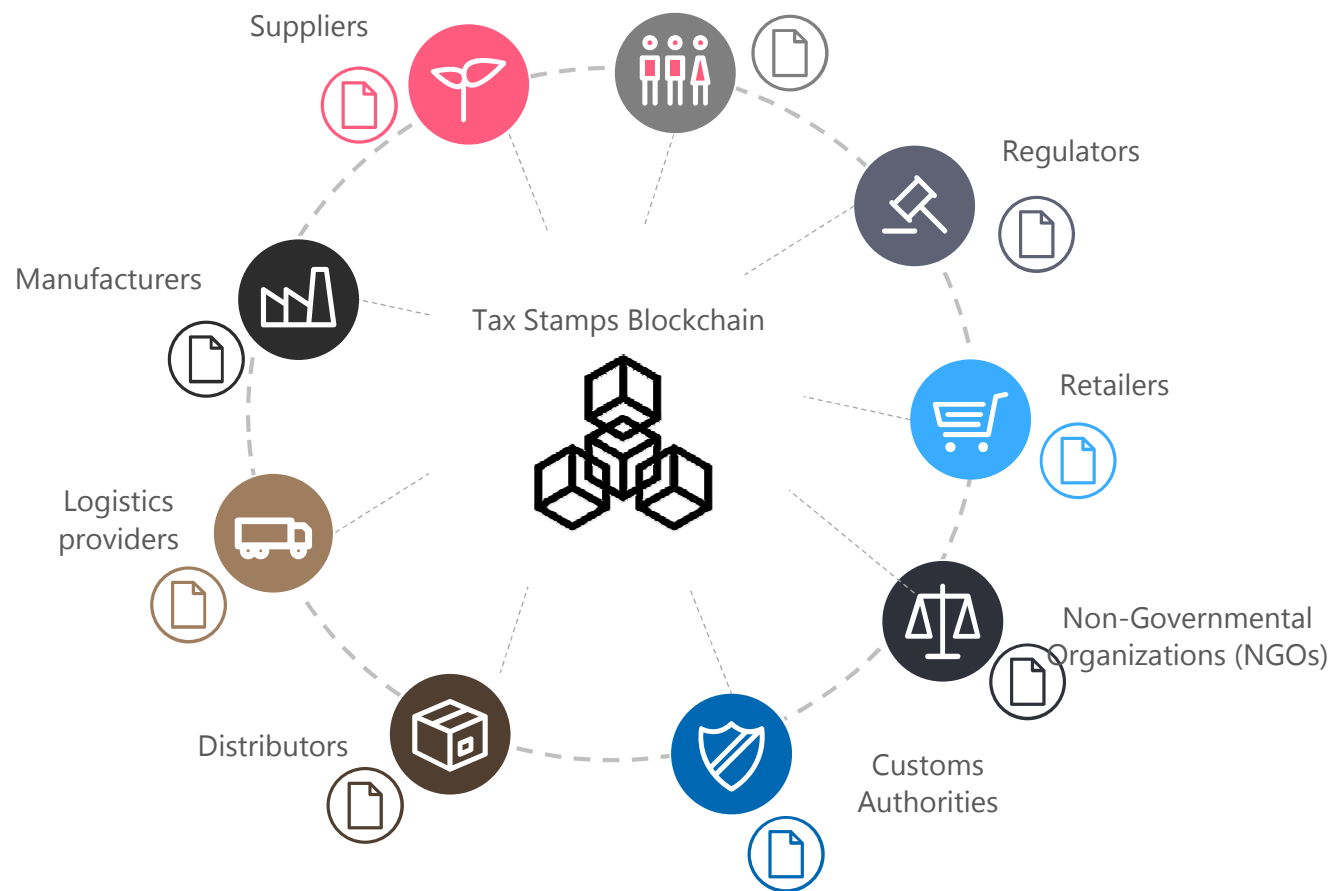
**Near Term**  
Foundational Model




**Medium Term:**  
Proximity Model

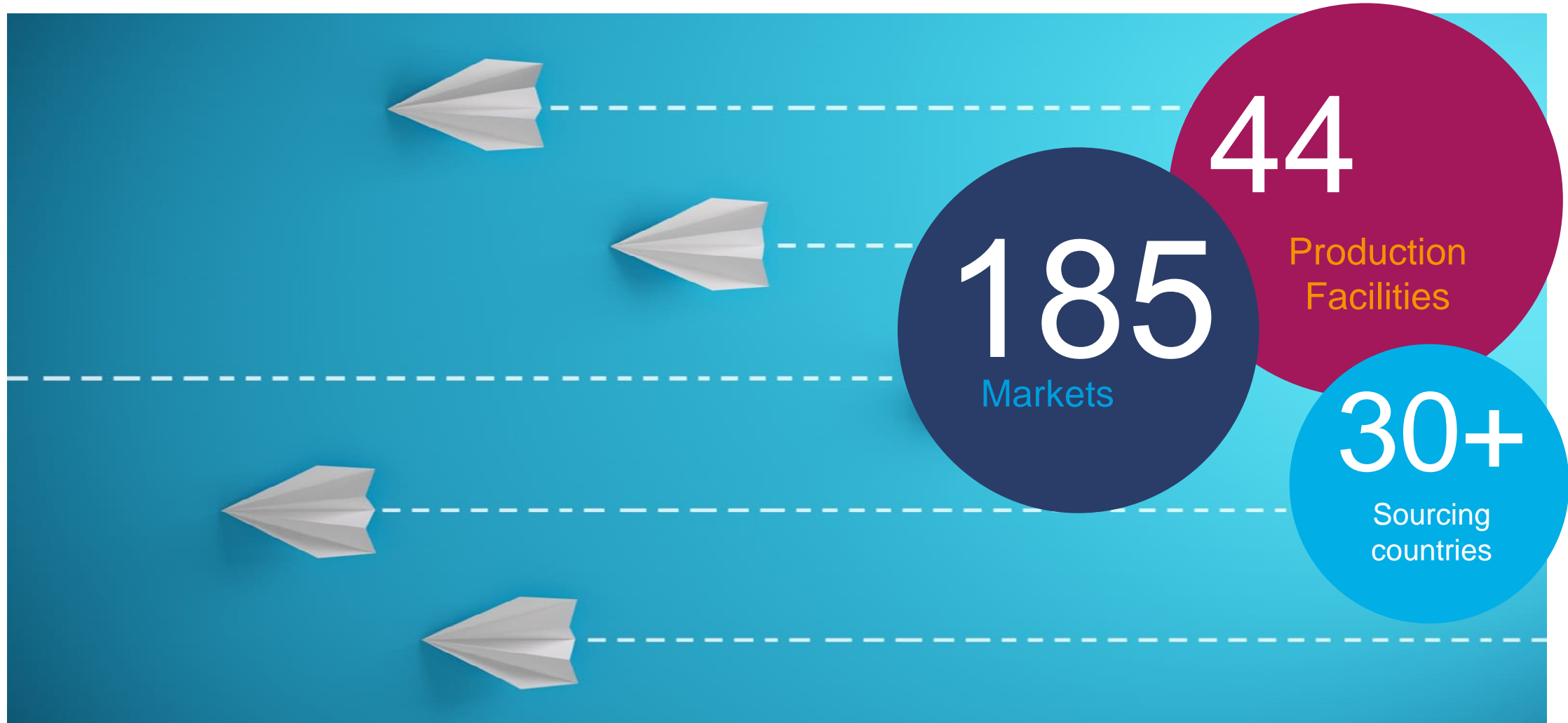


**Long Term:**  
Industry Wide Solution



 Distributed real-time updates of information

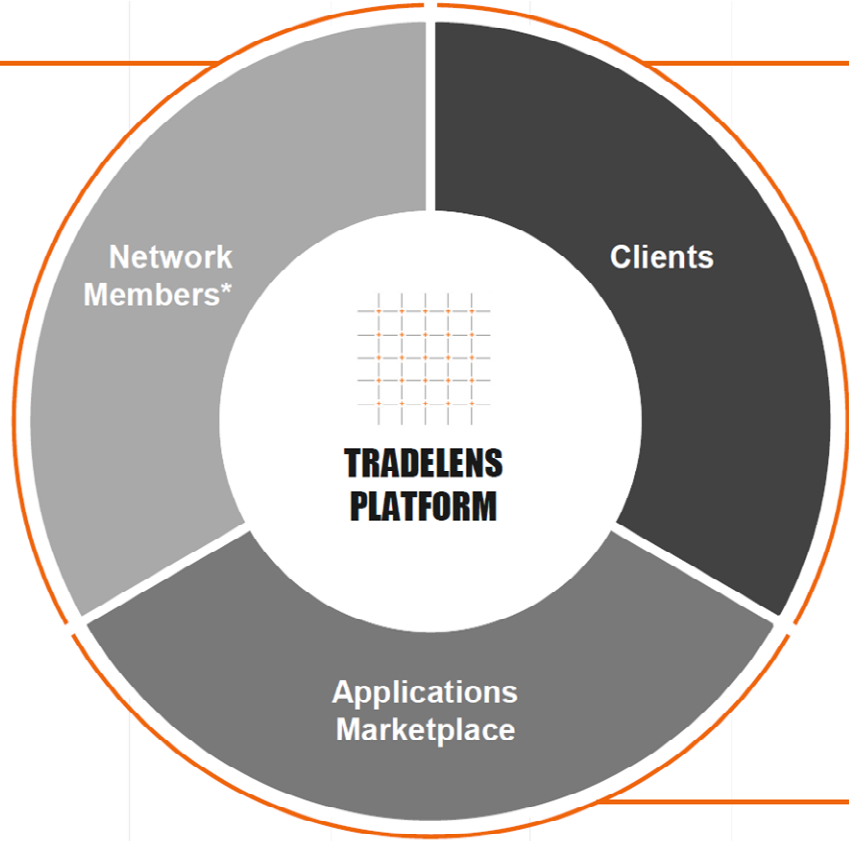
# PMI Supply Chain



# TradeLens Ecosystem

### Provide and gain access to end-to-end supply chain information

- Ocean carriers
- Ports and terminals
- Government authorities
- Inland transportation
- 3rd party data providers



### Primary consumers and beneficiaries of the platform

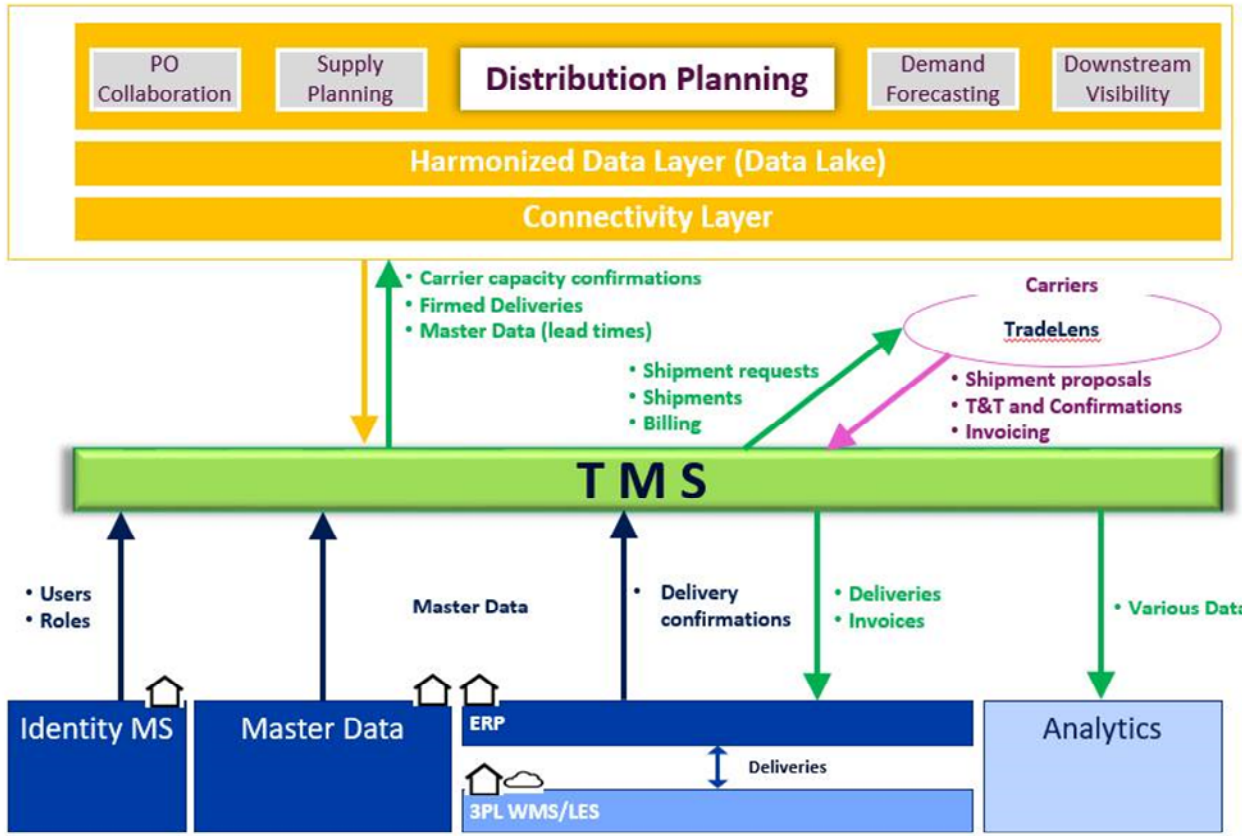
- Shippers (BCOs, retailers, manufacturers, etc.)
- Freight forwarders, customs brokers, 3PLs
- Financial institutions

### Offer value added services to the ecosystem through a platform marketplace

- TradeLens offerings
- Offerings from Network Members and Clients
- Offerings from third parties



# Transport Management Use Case (To-Be)

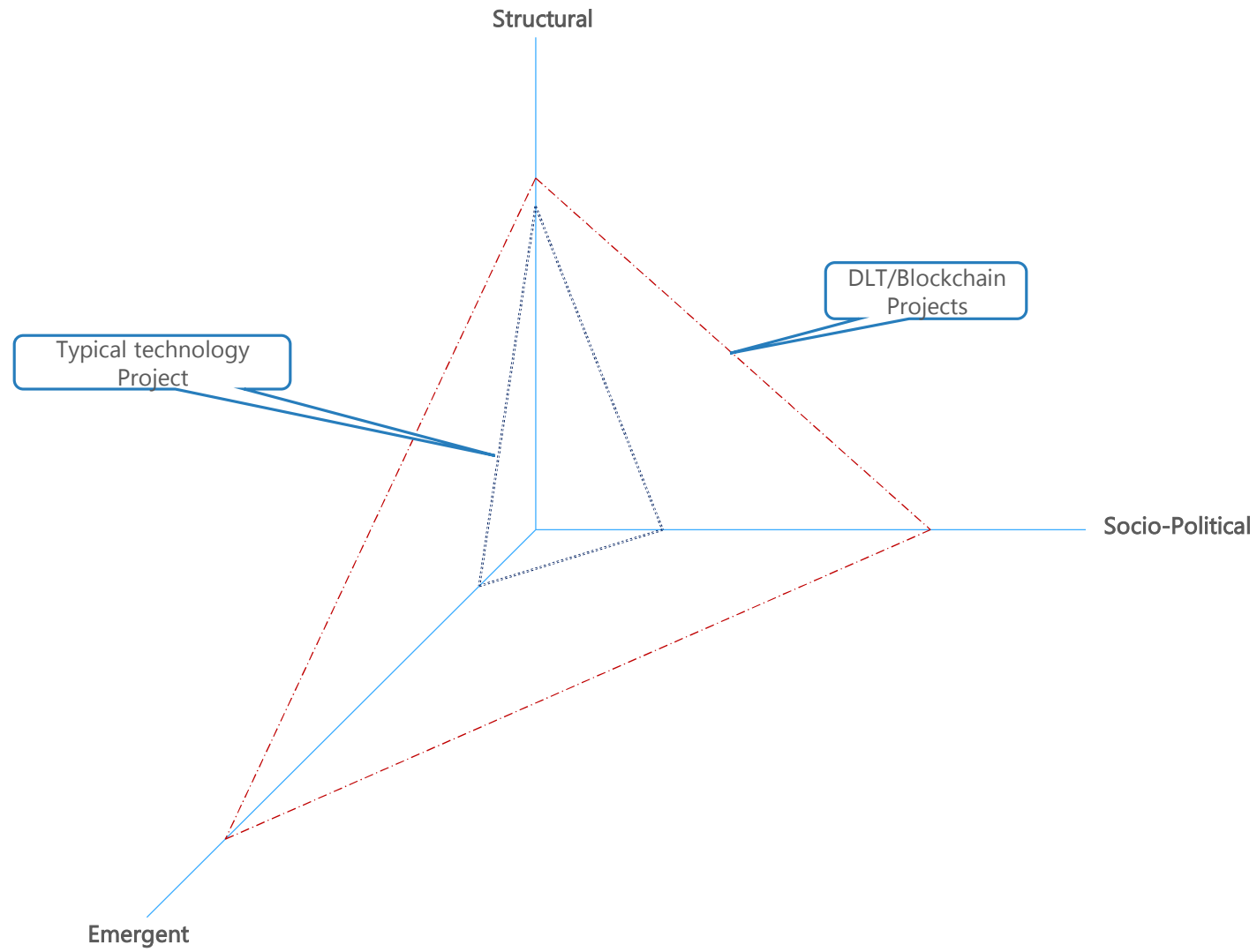


Real time track and trace

Fully automated process for Document Management

Lower Transaction Costs

# Closing Comments...



Thank you.

Q & A